Customer Supplied Generation Imbalance Pilot
Background

• During BP-10, BPA, and customers, developed and implemented the CSGI pilot

• Since then, only one party has participated in the pilot

• That party is leaving the BPA BAA prior to BP-20
What is BPA Staff Proposing?

For BP-20:

– Remove CSGI as a self-supply option
Why is BPA Considering a Change?

• We are reviewing the service and rate design and, where appropriate, we are looking to simplify.
• No party has expressed interest in CSGI for BP-20.
• Setting up CSGI for a new party is work/time intensive and expensive for both the party and BPA.
• The CSGI pilot, as it is currently designed, may not be the desired practice in the future.
  – BPA is open to conversations with interested parties on self-supply options and potential variations via a pilot program.
• BPA offers a full Self-Supply option.
CSGI Discussion

• We have heard from customers that they do not want the work done on CSGI lost.

• BPA is open to conversations with interested parties, using the framework of the CSGI pilot as a starting point for designing potential variations via a pilot program.

• Until the design of the pilot program is known, BPA is unable to include it in the rate schedule.
Alternatives for BP-20

- **Alternative 1:** Status Quo - No change to CSGI service (add language requiring sufficient notice)
- **Alternative 2:** Eliminate the CSGI service from the rate schedule and the Business Practice listings
- **Alternative 3:** Place the CSGI Business Practice on hold and remove from rate schedule.
Balancing Reserve Capacity Planning Standard
Background

• BP-12: BPA provided 99.5%
  – Potential to increase to 99.7% (rate defined)
  – Supplemental Service developed and offered

• BP-14: BPA provided a Base Service at 99.5%, and a Full Service option at 99.96% through settlement
  – Attempt to forecast and acquire additional in the short term when the FCRPS was unable to provide planned amount
  – No one expressed interest in or opted for Full Service
  – BPA found that forecast accuracy above 99.7% was questionable due to data anomalies
  – Supplemental Service was also available to supplement base service.
Background (cont.)

• November 2013 FERC Order on Petition for Declaratory Order
  – FERC rejected proposed OATT Schedules 9 and 10
  – BPA should develop a long-term planning methodology
  – Should not be based on “economic considerations”

• BP-16: BPA provided a single high quality service of 99.7% through a settlement
  – Determined that service provided under BP-14 was 99.7% due to corrections in forecast
  – In settlement BPA offered a MW amount equivalent to BP-14 service (99.7%)

• BP-18: BPA to provide a single high quality service of 99.7% through a settlement
What is BPA Staff Proposing?

For BP-20:

- No Proposed Changes to methodology to determine Balancing Reserve capacity quantity
  - Provides a high-quality balancing service to all customers
  - Project the amount of reserves needed on a planning basis for balancing load and generation in BPA’s Balancing Authority Area
    - 99.7% planning standard

Where the quality of service is defined:

- BPA staff are proposing to define the quality of service in the Balancing Reserves Business Practice.
Tariff v. Rates v. Business Practice

**TC-20 Tariff Proceeding**
A process to establish terms and conditions of general applicability of transmission service for a new open access transmission tariff. The TC-20 (Terms and Conditions) Tariff Proceeding, which largely follows rate case procedures, will run concurrently with the BP-20 rate proceeding. BPA will hold workshops beginning in the spring/summer of 2018, prior to the commencement of the TC-20 proceeding in the fall of 2018.

**BP-20 Rate Proceeding**
A process to set power and transmission rates for FYs 2020-2021 (Oct 2019 – Sep 2021) and will commence in fall 2018. Pre-rate case workshops will be held in the spring/summer of 2018.

**Transmission Business Practice**
Are separate process from TC-20 and BP-20 Proceedings. Business practices are derived from the application of BPA's Open Access Transmission Tariff (OATT) as well as the Transmission and Ancillary Service Rate Schedules.
Quality of Service Discussion

• We have heard from customers that they do not think that the quality of service should be defined in the Balancing Reserves Business Practice
  – There was a concern expressed that the BP could be changed at any time

• Does qualifying language in the BP solve concerns?
  – Any material changes to the service defined in this Business Practice will not take effect until the start of the next rate period
Ancillary Service Process

<table>
<thead>
<tr>
<th>Tariff</th>
<th>Business Practice</th>
<th>Gen Inputs Rates</th>
<th>Operations and JOC</th>
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</table>
| • Schedule 9  
✓ Generator imbalance Service  
✓ Physically feasible, tied to the capacity defined in Schedule 10  
• Schedule 10  
✓ Capacity for Generator balance service  
✓ Study methodology, in BP, to establish the quantity of capacity  | Define:  
• Level of Balancing Reserve Capacity held on a Planning Basis  
• Ability to acquire Third Party Capacity  
• Resource Service Elections  
• Study Methodology | • Rate setting Policy  
• Balancing Reserve Capacity Quantity Forecast  
• Cost allocation  
• Rate Design | • Acquire third party Capacity for BRs if needed to supply level of service  
• Balancing Reserve Deployed  
• OCBR |

Terms and Conditions | Details of Service | Rates for Service | Implementation
Next Steps

By Thursday, June 28:

• Please send any comments regarding this Ancillary and Control Area Services (ACS) Practices presentation to BPA’s Tech Forum at techforum@bpa.gov with the subject line: “ACS Practices.”

• Next Ancillary and Control Area Services (ACS) Practices workshop: July 18